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No. 04-293

IN THE
Supreme Court of the United States

HONEYWELL INTERNATIONAL INC.
AND HONEYWELL INTELLECTUAL PROPERTIES INC.,

Petitioners,

v.

HAMILTON SUNDSTRAND CORP.,

Respondent.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

PETITIONERS' SUPPLEMENTAL BRIEF

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INTRODUCTION

The Solicitor General's *amicus curiae* brief for the United States broadly confirms Honeywell's argument that the Federal Circuit's divided *en banc* decision below constitutes a sweeping assault on the doctrine of equivalents and concomitant enlargement of prosecution history estoppel. As the Solicitor General explains, the Federal Circuit en banc majority's decision creates a regime in which a patentee's cancellation of a broader claim will presumptively prevent it from establishing infringement by equivalents of a separate claim that was itself never rejected or narrowed in any way. Brief of the United States as *Amicus Curiae* ("U.S. Br.") at 10-12. Under this new regime, any patent owner who agrees to cancel a claim during prosecution will presumptively concede all equivalents to all limitations in any narrower claims that go on to issue. The Federal Circuit's decision will thus force patent applicants to hotly contest any proposed rejection of a claim, thereby vastly increasing the time and expense involved in prosecuting patents.

While the Solicitor General acknowledges the sweeping nature of the *Honeywell* decision, it nonetheless attempts to harmonize the Federal Circuit's divided *en banc* decision with this Court's precedent. But the *en banc* majority's brash disregard for the carefully calibrated balance between the doctrine of equivalents and prosecution history estoppel struck in *Festo Corp. v. Shoketsu Kinzoku Kogyu Kabushiki Co.*, 535 U.S. 722 (2002) and *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997) cannot be disguised. Indeed, the Federal Circuit's opinion violates this Court's explicit instruction that "courts must be cautious before adopting changes that disrupt the settled expectations of the invention community." *Festo*, 535 U.S. at 739 (*citing Warner-Jenkinson*, 520 U.S. at 28). The Solicitor General never disputes that the new rule announced by the Federal Circuit will severely restrict the range of equivalents for almost all issued patents.

Abundant evidence of the disorder that this new regime has created is already available in the form of an unceasing stream of articles from patent practitioners and scholars -- some discussed in Honeywell's original cert. papers, others published more recently and cited *infra* -- uniformly critical of the Federal Circuit's holding below.

This Court developed the doctrine of equivalents to prevent "the patent grant [from being turned into] a hollow and useless thing." *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 336 U.S. 271, 271 (1949). When previous divided en banc decisions of the Federal Circuit threatened to burden inappropriately the doctrine of equivalents, this Court granted certiorari and reemphasized the continuing vitality of the doctrine. *See Festo*, 535 U.S. 722 (2002); *Warner-Jenkinson*, 520 U.S. 17 (1997). Now that the divided en banc Federal Circuit has once again imperiled the force of the doctrine of equivalents, this Court should grant certiorari in this case as well.

ARGUMENT

I. The Federal Circuit's Decision Conflicts With This Court's Precedent.

The Solicitor General's discussion of the *Festo* case illustrates concisely the flaw in the Federal Circuit's reasoning in *Honeywell*. The Solicitor General argues that *Festo* "ensure[d] that 'the doctrine of equivalents remains tied to its underlying purpose' by precluding its invocation where the prosecution history shows that the applicant previously claimed the equivalent subject matter, but consciously chose to narrow his claims and *surrender that subject matter* to obtain the patent." U.S. Br. at 9 (emphasis added). Similarly, the Solicitor General quotes this Court's holding in *Festo* that "estoppel applies when 'the inventor turned his attention to the subject matter in question, knew the words for both the broader and narrower claim, and affirmatively chose the latter.'" U.S. Br. at 10 (quoting *Festo*, 535 U.S. at 735). But these holdings

do not apply to the present situation, where a broader, independent claim is cancelled and a narrower, existing claim issues without substantive amendment.

The "subject matter in question" here is a control system that, as the jury found, contains the equivalent to the issued IGV limitation. Dispositively, Honeywell never claimed, and thus never surrendered, an equivalent to the IGV limitation. *See* Pet. App. at 9a-10a. What it cancelled was a claim without *any* IGV limitation at all. *See id.* What Honeywell surrendered, then, was a surge system that lacks any equivalent to the IGV. The Federal Circuit's holding thus goes far beyond the boundaries of estoppel created by this Court in *Festo*. *See, e.g., Festo*, 535 U.S. at 734 (prosecution history estoppel is applicable where an "original application once embraced the purported equivalent but the patentee narrowed his claims to obtain the patent or to protect its validity.").

Despite the fact that the Federal Circuit's newly expanded version of prosecution history estoppel violates the clearly defined limits of *Festo*, the Solicitor General attempts to portray the *Honeywell* decision as merely repeating Judge Learned Hand's reasoning in *Keith v. Charles E. Hires Co.*, 116 F.2d 46 (2d Cir. 1940). U.S. Br. at 10 n.2, 17. That reliance on *Keith* is misplaced, however. In the first place, *Keith* has never been cited by this Court and, prior to the decision below, had never been cited by any decision of the Federal Circuit either. To the contrary, the suggestion by Judge Hand in *Keith* that he could "see no difference" between the narrowing amendment of an existing claim and the cancellation of a broader claim, 116 F.2d at 46, relied upon by the Solicitor General and by the Federal Circuit majority, was directly rejected by this Court just two years later. *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126 (1942). In *Exhibit Supply*, a case that the Court repeatedly cited and relied upon in *Festo*, *see* 535 U.S. at 734, 735, 740, Chief Justice Stone noted that the amendment of a claim to add a new limitation in order to secure patentability is

"a *very different issue*" from the situation where an original claim contained such a limitation. 315 U.S. at 136 (emphasis added). The Court in *Exhibit Supply* noted that a patentee would be entitled to the "equivalents embracing the accused devices" if the limitation had been in the originally filed application. *Id.*; *see also Eastern Rotocraft Corp. v. United States*, 397 F.2d 978, 982 (Ct. Cl. 1968) (holding that "cancellation of a broad claim precludes an extension of claim coverage by equivalents to encompass the entire scope of the cancelled claim" but that the patentee is still "to be afforded protection against obvious and exact equivalents" to the issued narrower claims).

Indeed, this holding from *Exhibit Supply* was specifically discussed by the Court with approval in *Warner-Jenkinson*, when the Court noted that "Chief Justice Stone distinguished inclusion of a limiting phrase in an original patent claim from the 'very different' situation" in which an applicant narrows a claim in response to a prior art rejection. *Warner-Jenkinson*, 520 U.S. at 30 (quoting *Exhibit Supply*, 315 U.S. at 136). Thus, *Warner-Jenkinson* reaffirmed the long-standing rule that the "inclusion of a limiting phrase in an original patent claim" does not give rise to prosecution history estoppel. By reaching the opposite conclusion in the case below -- holding that the IGV limitation was subject to estoppel even though it appeared in the original patent claim -- the Federal Circuit turned decades of this Court's patent law on its head.

II. The Decision Below Works a Fundamental Alteration in the Balance Between the Doctrine of Equivalents and Prosecution History Estoppel and Disrupts Settled Expectations of Patent Owners.

The Solicitor General argues that the Federal Circuit's decision will not impair the reasonable expectations of patent holders. U.S. Br. at 18. This argument is based on citations to *Festo* and *Keith*. *See id.* But as just demonstrated, the decision below in fact directly conflicts with *Festo*, and *Keith* has never

represented the law. To the contrary, the Federal Circuit decision conflicts with the long-standing principle -- first articulated by this Court at least as early as the *Exhibit Supply* decision, and reaffirmed in modern jurisprudence by *Warner-Jenkinson* -- that there is a dispositive difference between narrowing limitations contained in original application claims and those added in response to a prior art rejection. Proof of the unexpected and unsettling nature of the Federal Circuit holding is found in the wave of uniformly critical articles, many published since Honeywell filed its Petition for Certiorari, that have decried the decision.

Patent practitioners have been quick to express their surprise and indignation with the Federal Circuit's decision in *Honeywell*. For example, one commentator has stated that the decision leaves "little doubt of the Federal Circuit's agenda -- if the Doctrine of Equivalents cannot be abolished altogether, its reach can be limited and its bite can be rendered harmless by slowly pulling its remaining teeth." Werner H. Stemer, *Honeywell Int'l v. Hamilton Sundstrand Corp.: The Federal Circuit Goes to the Extreme in its Latest Attack on the Doctrine of Equivalents*, 87 Journal of the Patent & Trademark Office Society 71, Jan. 2005, at 71, 76. (noting the decision's "apparent disregard for the spirit of Supreme Court law and the various out-of-context quotations from the controlling cases"); *see also* Catriona M. Collins, *Post-'Festo' Cases Raise More Issues; One Involves Dependent Claims that are Rewritten in Independent Form*, 26 National Law Journal 82, May 9, 2005, at S9 (noting that *Honeywell* decision is logically problematic and inconsistent with Court's *Festo* decision).

Because the decision below holds that any dependent claim rewritten into independent form is subject to the presumption of surrender of equivalents, a patentee who drafts an independent claim with a series of narrower dependent claims -- a practice that the Patent Office encourages by charging significantly lower fees for the filing of dependent claims -- will risk receiving no equivalents if the independent claim is cancelled.

As one commentator recently noted, "in so holding, the Federal Circuit effectively created a new rule for patent drafters: do not include crucial limitations in dependent claims, for if the independent base claim is rejected the doctrine of equivalents will be lost for any narrowing limitations in the dependent claims." Derek Walter, *Prosecution History Estoppel in the Post-Festo Era: The Increased Importance of Determining What Constitutes a Relevant Narrowing Claim Amendment*, 20 Berkeley Tech. L.J. 123, 133 (2005). This commentator added: "By destroying the traditional paradigm of drafting broad independent claims supported by a series of successively narrower dependent claims, the majority decision will increase the cost of applying for a patent, the likelihood of litigation, and the time required for examination." *Id.* at 136-37.[1]

The adverse consequences of forcing patent applicants to avoid dependent claims was implicitly acknowledged by the United States in its *amicus* brief to this Court in *Festo*. In that brief, the United Stated cited with approval the District Court decision below that the rewriting of a dependent claim in independent form, even when combined with the cancellation of an independent claim, is the paradigmatic example of a claim amendment that does "not result in narrowing the claims and surrendering subject matter" and therefore should not give rise to estoppel. 2001 WL 1025650, at *16 (citing *Honeywell Int'l*

[1] Other articles cited in Honeywell's original cert. papers similarly confirm the unexpected nature and broad implications of the Federal Circuit's decision. *See, e.g.*, Kelly D. Talcott, *Under Siege; Federal Circuit Takes Another Swipe at Doctrine of Equivalents*, 231 New York Law Journal 114 (2004) ("[P]atent applicants now have a strong disincentive to include dependent claims in their new patent applications, and patentees have another hurdle to overcome before applying the doctrine of equivalents in infringement cases."); Lewis R. Clayton, *Doctrine of Equivalents, Drug Name Confusion, Privilege*, 231 New York Law Journal 118, at p.3, col. 1 (2004) ("[T]he decision is likely to limit the permissible range of equivalents for thousands of issued patents that include rewritten dependent claims. Undoubtedly, many future applicants will react to the Honeywell decision by avoiding dependent claims.").

Inc. v. Hamilton Sundstrand Corp., No. Civ. A. 99-309 GMS, 2001 WL 66348, at *6 (D. Del. Jan. 8, 2001) (Sleet, J.) (reproduced at Pet. App. 109a)).[2] Indeed, as the Federal Circuit previously held in numerous cases, rewriting a dependent claim in independent form is not a substantive modification that changes the scope of the claim. *See* Pet. at 13-14; 35 U.S.C. § 112, ¶ 4.

Further, a patentee could not avoid the far-reaching effects of the *Honeywell* decision by avoiding the use of dependent claims. In contrast to Hamilton Sundstrand, the Solicitor General concedes that the Federal Circuit's holding not only presumes estoppel where a dependent claim is rewritten into independent form and an original independent claim is cancelled, but it also imposes a presumptive bar of all equivalents to any elements found in an issued independent claim, but not found in a cancelled independent claim. U.S. Br. at 17. Under the *en banc* majority's rationale, estoppel would apply even where the additional elements in the issued claim were never narrowed by amendment. Indeed if Honeywell had filed the same application it did, but without the original independent claim that was later cancelled (the claim that did not include the IGV), it would have obtained a patent with the

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[2] The United States' belated attempt to back out of the position it unambiguously staked in its *amicus* brief in *Festo* is singularly unconvincing. U.S. Br. at 16. Although the United States previously wholeheartedly endorsed the district court's decision not to apply estoppel, it now claims that it was mistaken because it did not "conduct a de novo review of the prosecution history in this case" but instead "relied on the district court's statement that 'the elements at issue were not amended.'" *Id.* (citing *Honeywell Int'l Inc. v. Hamilton Sundstrand Corp.*, 2001 WL 66348, at *6). But the very paragraph of the district court's opinion that the United States cites includes Hamilton Sundstrand's contention that "by canceling broader claims that lacked the inlet guide vane position element and advancing only claims that included the element, Honeywell created the 'classic basis' for prosecution history estoppel. Thus, Sundstrand argues that a claim need not be rejected for prosecution history estoppel to apply." Pet. App. 109a. The United States has provided no reasoned basis for its change of heart.

IGV limitation *and* all of its equivalents. Thus, the perverse result of the decision below is that Honeywell would have been entitled to broader patent coverage if its original application had been narrower. There is no rationale in patent law, nor support in this Court's prior cases, for such a result.

The Court in *Festo*, as in *Warner-Jenkinson* before it, was appropriately mindful of the expectations of the patent community. *Festo*, 535 U.S. at 739; *Warner-Jenkinson*, 520 U.S. at 28. As the uniform critical commentary on the decision below illustrates, the Court should intercede again to restore the scope of equivalents that patent-holders have justifiably come to rely upon.

III. The Federal Circuit's Holding Will Give Rise to a New, Unbounded Estoppel.

The Solicitor General disputes Honeywell's claim (echoing Judge Newman's dissent in the Court of Appeals) that the Federal Circuit's decision creates a "new type of unbounded estoppel" by asserting that "the court of appeals simply applied *Festo's* fundamental teaching -- that a patent applicant's surrender of subject matter to obtain a patent presumptively gives rise to estoppel." U.S. Br. at 17. The Solicitor General, however, much like the Federal Circuit majority, ignores the fact that the subject matter that Honeywell surrendered was a surge control system without any IGV limitation. What the Federal Circuit held instead was that Honeywell had surrendered all equivalents to the IGV limitation. The resulting estoppel lacks the clear boundaries required by *Festo*. As one patent practitioner recently explained:

> In *Honeywell*, the *Festo* presumption of surrender was held to apply to all equivalents for the additional limitation found in the dependent claim, even though that limitation had never been narrowed since it was not included in the canceled independent claim . . . [T]he logical problem in applying the *Festo* presumption of surrender to a

> rewritten dependent claim that added a new element, rather than circumscribed a limitation already contained in the canceled independent claim, is that one of the *Festo* markers for measuring the territory surrendered by the amendment is missing, namely the prior broader claiming of the limitation at issue.

Catriona M. Collins, 26 National Law Journal 82 at S9; *see also* Derek Walter, 20 Berkeley Tech. L.J. at 134 (arguing that because, in canceling its broad independent claim, Honeywell "intended to surrender only territory encompassed by APUs having no inlet guide vane limitation at all," this is not a "case in which the patentee signaled surrender by knowing 'the words for both the broader and narrower claim, and affirmatively choosing the latter.'") (quoting *Festo*, 535 U.S. at 734-35).

The Federal Circuit's unbounded estoppel also runs contrary to this Court's warning in *Warner-Jenkinson* about the dangers of determining the range of permissible equivalents by comparing the proposed equivalent with the scope of the entire patented invention. *Warner-Jenkinson*, 520 U.S. at 29. The *Warner-Jenkinson* Court made clear that "[e]ach element contained in a patent claim is deemed material to defining the scope of the patented invention, and thus the doctrine of equivalents must be applied to individual elements of the claim, not to the invention as a whole." *Id.* By making the scope of a cancelled claim, rather than an amended element, the focus of the equivalents inquiry, the *en banc* majority renders logically impossible the element-by-element equivalents analysis that *Warner-Jenkinson* requires.

CONCLUSION

For the foregoing reasons, as well as the reasons stated in the original petition, the Petition for a Writ of Certiorari should be granted.

Respectfully submitted,

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